



Xinxing Ductile Iron Pipes

Standards creating process efficiencies

Born out of a military steel plant founded in 1971, the company has been listed on the Shenzhen Stock Exchange since 1997 and belongs to the Xinxing Cathay International Group under the state-owned Assets Supervision and Administration Commission of China. Xinxing is the largest producer of ductile iron pipes and steel gratings in China, claiming over 45% of the domestic market. The company also has a substantial share of the world market, with exports to some 100 countries generating 30% of its revenue.

Company name: Xinxing Ductile Iron Pipes Co. Ltd.



Country: China

Industry: Pipes and piping systems

No. of employees: In scope of assessment: 5 276 (of a total of 17 499)

Revenues/profits:

In scope of assessment:

CNY 10 billion/CNY 488 million
(USD 1.5 billion/USD 73.8 million)

Total revenue:

CNY 37.6 billion (USD 5.7 billion)
(in 2010)*



Main products/services:

Iron and steel pipes for use in water supply and industrial waste disposal systems, communications, electrical power, petroleum and other sectors. The assessment focused on two factories of Xinxing in the Wuan industrial zone of Handan City, Hebei Province, that produce cast pipes and steel products.

Main use of standards: Standards are used in all company operations, impacting primarily the following areas:

- Production
- Marketing and sales

- Procurement, including supplies testing
- Engineering
- Research and development

Most important standards used:

- ISO 9001:2008, *Quality management systems*
- ISO 14001:2004, *Environmental management systems*
- OHSAS 18001:2007, *Occupational health and safety management systems*
- Various Chinese national and industry-sector standards on design specifications, product requirements, raw materials and testing
- Various technical regulations and mandatory standards of China

Economic benefits generated by standards: CYN 68 million annually (USD 10.3 million), amounting to 0.68% of annual sales revenue and close to 14% of the EBIT of the business units in scope.

Key qualitative benefits: Standards improved integration and streamlining of company operations.

What were the major benefits for Xinxing of using standards?

Compliance with a number of standards is a prerequisite for obtaining production licenses, as many products are subject to requirements defined in regulations or mandatory standards. Using standards also allowed Xinxing to:

- Produce high-quality, low-cost products while remaining competitive
- Ensure the consistent quality of its iron and steel products
- Gain in efficiency through implementing proven solutions, reducing errors and re-using design solutions developed for previous projects
- Achieve cost reductions in procurement
- Simplify tenders
- Meet requirements in product certification

How did standards lead to these benefits?

Xinxing used management system standards as a framework for organizing projects and integrating operations into a common approach. This was a pre-condition for producing high-quality, low-cost pipes that have wide application. By streamlining operations and reducing unnecessary costs, Xinxing was able to sustain its leadership position in a highly competitive market. By providing tested and widely accepted solutions, standards proved an essential tool for securing this position.

* CNY 1 = USD 0.15124 (2010-12-31)